Postal Regulatory Commission Submitted 4/29/2021 3:04:01 PM Filing ID: 116865 Accepted 4/29/2021

BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

TRANSFERRING BOUND PRINTED MATTER PARCELS TO THE COMPETITIVE PRODUCT LIST

Docket No. MC2021-78

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO QUESTION 7 OF CHAIRMAN'S INFORMATION REQUEST NO. 3

(April 29, 2021)

The United States Postal Service hereby provides its response Chairman's Information Request No. 3, Question 7, issued on April 16, 2021. The Postal Service filed response to all other questions on April 23, 2021, reserving response to this question while determining whether responsive studies and analyses existed. Having located responsive information, the Postal Service files its answers with an appropriate motion and a request for non-public treatment. The Postal Service is filing a substantially identical response to Chairman's Information Request No. 1, Question 9b, under separate cover.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Nabeel R. Cheema, Chief Counsel, Pricing & Product Support

Michael Gross

475 L'Enfant Plaza, S.W. Washington, D.C. 20260-1101 (202) 268-6915 Michael.I.Gross@usps.gov April 29, 2021

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 3 – Question 7

- 7. Please refer to pages 7-8 of the Request where it states, "UPS and FedEx commercial customers generally do not pay published rates but rather obtain negotiated rates such that the average rates actually paid are lower than the published rates would suggest."
 - a. On average, how much lower than published rates are UPS Ground and FedEx Ground negotiated rates? Please provide the basis of your response and all underlying calculations.
 - b. On average, how much lower than published rates are UPS Ground and FedEx Ground negotiated rates for parcels that are eligible for Bound Printed Matter Parcel rates? Please provide the basis of your response and all underlying calculations.
 - Please provide all Postal Service studies regarding how much lower UPS
 Ground and FedEx Ground negotiated rates are than published rates.

Response:

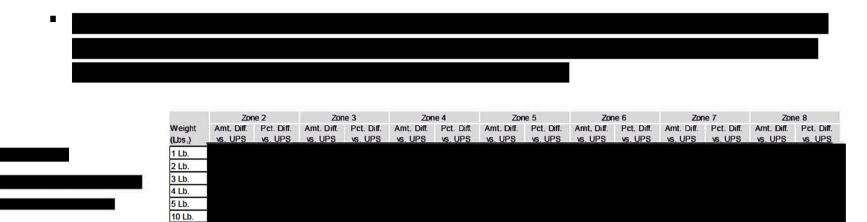
As to Questions 7a and 7b, the Postal Service does not have this specific information.

As to Question 7c, that information, given in Attachment A, below, is filed under seal with a motion for non-public treatment. The information was provided to it by a third party, the Colography Group, Inc., which retains a proprietary interest in the information. Acting under 39 C.F.R. § 200(b), the Postal Service notified Colography of the Chairman's information request and received its consent to provide this answer under seal.

Attachment A: Studies and Analysis Showing Discounted UPS Ground and FedEx Ground Pricing



p.	2
----	---





p. 4

GROUND	
•	leverage discounted rates

GROUND SERVICE

Lbs.	Zone 3	Zone 3	Zone 4	Zone 3	Zone 6	Zone 3	Zone 3
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

Lbs	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							





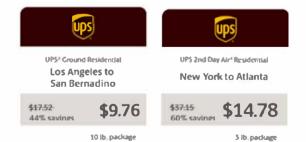
SALES COMMUNICATION



Sample UPS Savings

Curious what kind of savings you'll see with the new rates? Here are a few samples, showcasing the savings of the UPS Digital Access Program on Shippo versus UPS daily rates.







UPS* Cround Residential Miami to Los Angeles		Ų	ps	Ups		
		UPS 2nd Day Air Residential Atlanta to Dallas		ups wordwide siver* Los Angeles to Calgary		
523.41 32% savings	\$15.79	534.15 61% savings	\$13.38	\$102.86 71% savings	\$29.66	
	II lb. package		2 lb. package		1 lb. package	